

# **SYNTHESIZING OUTLOOK INFORMATION**

**(What Does It All Mean?)**

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# **FUNDAMENTAL THESIS**

**---The Market is Efficient---**

**At any point in time  
On a continuing basis  
All information impinging on price  
Is known  
Is incorporated in market**

# **"LET ME MAKE IT PERFECTLY CLEAR "**

**(To Quote a Well Known President)**

**THERE IS NO HOLY GRAIL**

**THERE IS NO SURE THING**

**THERE IS NO MAGIC**

**THERE IS COST OF PRODUCTION**

**THERE IS MARKETING ABILITY**

**THERE IS EDUCATION**

# **PRODUCERS MUST MAKE A MAJOR DECCISION**

**What Are You Going to do With  
Outlook Information?**

**Are You Going to**

**Observe**

**Absorb**

**Understand**

**Analyze**

**Use**

# WHEN ALL IS SAID AND DONE

**Outlook is an Attempt to Predict  
Supply, Demand and Implied Price**

**History Clearly Demonstrates  
Degrees of Ease / Difficulty**

**Easy**

**Difficult**



**Short Term Supply**

**Short Term Demand**

**Intermediate Term Supply**

**Intermediate Term Demand**

**Long Term Supply**

**Long Term Demand**



# **ESTIMATING DOMESTIC SUPPLY**

**Begin With Carryout**

**Add Estimated Production**

**Planting Intentions**  
**Farm Policy**  
**Price Ratios**  
**Weather**

**Harvested Acreage**  
**Usual Ratios**  
**Weather**

**Yield Projections**  
**Trend Yields**  
**Weather**

**Add Imports if Any**

**Sum to Total Supply**

# **ESTIMATING DOMESTIC DEMAND**

## **Begin by Estimating Domestic Use**

### **Feed use**

**Livestock numbers**

**Prices**

**Weather**

**Feed Efficiency**

**Price of substitute feeds**

**Availability of Substitute feeds**

### **Food Use**

**Processed food consumption**

**Price of substitutes**

**Availability of substitutes**

**Preferences**

**Trends**

### **Industry use**

**Economy**

**Policy**

**Export Use**

**Foreign Supply/Demand  
Country by Country**

**Foreign Imports/Exports**

**Livestock Production**

**Direct Food Consumption**

**Population**

**Diet Preference/Change**

**Disposable Income**

**Income Purchasing Power**

**Weather**

**Foreign Exchange Rates**

**Politics**

**Foreign Ag Policy**

**Trade Agreements**

**Transportation**